

Idaho Strategic Energy Alliance Board Meeting – July 8, 2008

Minutes

Attendees:

Paul Kjellander	Krista McIntyre	Lori Braase
Larry La Bolle	Jim Miller	Eldon Book
Russ Hendricks	Don Sturtevant	Ken Eklund
Mike Louis	John Eustermann	KT Hanna
Morris Huffman	Jim Kempton	Carol Hunter
Steve Aumeier	Ralph Bennett	Lisa La Bolle
Melinda Hamilton	Kelsey Nunez	Jane Wittmeyer
Governor Otter		

Development of action items:

- Need action plan from Task Forces including executive summary
- Will consider cost effectiveness of all proposed options

Board scope:

The Board was reminded of their Charter statement:

The purpose of the Alliance is enable the development of a sound energy portfolio for Idaho that includes diverse energy resources and production methods, that provides the highest value to the citizens of Idaho, that ensures quality stewardship of environmental resources, and that functions as an effective, secure, and stable system.

Governor Otter Speech to the Board:

The Governor mentioned that the original 25x'25 Initiative focused on energy sources from the farm, but that has expanded greatly. He said that we are looking for sustainable, clean energy going forward--including non-traditional sources. For example, Idaho has one of the largest geothermal resources in the country, and we need to promote that development. We also need to be able to switch to the cheapest energy source, be flexible. The grid is important. Baseload is important. The opportunities we have are exciting, and the risks are also great. We must also be able to think from cradle to grave--to avoid or use waste streams and to close the cycle. How well we “clean up the mess” will be directly related to the viability of any energy source.

He mentioned that energy is one of the most important value-added commodities we have. Energy security in the US is energy diversity. It must be sustainable and competitive with growth potential.

Idaho has the lowest emission per capita. The Governor wants to keep it that way. He reminded us that Idaho imports 40% of the electricity we consume and 99% of our transport energy so do not limit options, just be cognizant of existing conditions.

The Governor noted that the energy picture is changing. Plug in hybrid vehicles will eventually be our new transportation system. This will put greater demands on electricity, emphasizing an even greater need for our effort.

Finally, he reminded us that the two most important things in Idaho are water and energy and we need both to keep our economy strong.

He thanked all of us for taking part in this effort. He said that we all bring something different to the table, and we need those differences in order to be successful in this endeavor.

Communications & Outreach Task Force:

The Board agreed that this new Task Force is crucial to our success going forward. They gave the go-ahead to get this team put together and functioning.

- Mission/Scope: strategic communications, kinds of messages, the pace, outreach goals (legislative, key stakeholders, public), a set of FAQs, to respond to questions & concerns. This is a crosscutting group – an umbrella across all other Task Forces. This group will pick up all communications across teams and bundle them together to create a cohesive message and provide a flow of information.
- Membership: could include key Task Force members and even couple of members from the Board.
- Expertise/Leadership: led by a professional in communications & outreach with established relationships with the media.
- Decision-Making Authority: need an escalation process for communications.
- Action Items: will develop a draft charter for this team.

Biogas Presentation:

- Goal: A comprehensive tactical plan with recommended legislation (policy changes, regulatory changes, incentives), research agenda, and community and workforce development actions that will enable the first Renewable Energy Enterprise Zone, initially focused around biogas production and use.
- Strategy:
 1. Inventory resources
 2. Talk with technology providers
 3. Talk with the end users
 4. Technology and resource providers drive the needs
 5. The needs drive the actions
- Barriers:
 - *Technical*
 1. Cost to condition or clean gas
 2. Conditioning differs with biogas source
 3. Unreliable source of energy- inconsistent
 - *Community*
 1. Poorly trained workforce to operate digesters
 2. Public perception/understanding of anaerobic digestion poor
 3. Dairymen are hard group to engage

- *Regulatory and Economic*
 1. Capital costs of digester- especially for small dairies
 2. Cost of and time to negotiate interconnect with utilities
 3. Mandates will likely not work in Idaho
- Requirements:
 - Dairies need:
 1. Financing options for capital costs
 2. Sustained incentives
 3. ROI that competes with milk production
 4. Beneficial and faster interconnect agreements
 5. Nutrients, solids, water out the back end
 - Digester providers need:
 1. Trained operators
 2. Improved gas cleaning technologies
 3. Research programs focused on digester technologies
 4. Large enough dairies to achieve economy of scale
 5. Requirements for interchange with natural gas (GTI working on this)
 - Utilities need:
 1. large enough output (>1MW) to justify infrastructure costs to interconnect
 2. Assurance of reliability
 3. Clean product
- Recommendations:
 1. Focus of 1st zone - dairy waste
 2. End use neutral (need to determine best uses)
 3. Investigate new business models
 4. Use biogas zone as model to learn from for future zones
 5. Co-op for renewable energy providers
 6. Expand HB 529 to all renewable energy
 7. Increased incentives or revenue back to supplier of the gas (dairy)
 8. Tax breaks to dairies for using less grid electricity
 9. Tax breaks to end users
 10. Community college workforce development program
 11. Outreach/public awareness campaign
 12. Education for stakeholders

Task Force Interaction with the Board:

The Board finds it valuable to meet regularly to get updates from the Task Forces. It was mentioned again that all Task Force chairs (or substitutes) should be invited to every Board meeting to insure that crosscutting is identified and fully utilized and that the Task Forces are continually engaged with the Board.

Board Brainstormed Energy Challenges Going Forward:

Energy Challenges for Task Force Projects:

- Effective Market Strategy
 - Does the project have the outlook and understanding of larger market forces?
 - Does the project have realistic and achievable economics?
 - Does the project identify compelling value propositions for all stakeholders (i.e., ‘what’s in it for me’)?
 - Does the project guard against ‘mistakes’ in the market (i.e., are there assumptions about or downside risks in the market, regulatory environment, impacts, or barriers that the project doesn’t understand or has not considered)?
 - Does the project position the energy source for growth in the market?
 - Is the approach as simple as possible?
- Sustainable
 - Has the project considered the full range and life cycle of sustainable impacts, especially if it is successfully copied on a large scale?
 - Has the project addressed water consumption or water quality impacts?
- Grounded in Diverse Viewpoints
 - Has the project sought and addressed diverse viewpoints for the purpose of avoiding unintended consequences?
- Integrated Approach to Transmission and Generation
 - Has the project worked with utilities in siting and transmission planning?
 - Are there interconnection issues?
- Flexible with respect to Carbon Policies
 - Is the project able to handle new developments or changes in carbon policies?

Energy Challenges for Idaho:

- Developing Energy Policies that Position Idaho for the Future – the need for unified policies across jurisdictions (IPUC, Legislature/State Energy Plan, OER, Alliance)
- Building Surplus Capacity – who should pay?
- Addressing Conservation Effectively (e.g., with ratepayer signals)
- Raising Public Awareness through Education and Outreach

25x’25 Name Change:

Governor Otter approved the name change from the 25x’25 Initiative to the *Idaho Strategic Energy Alliance*. It was reiterated that the purpose of the Alliance is to enable. We are to put together an actionable plan, built on the Idaho Energy Plan, with a focus on communication and outreach and looking for areas to assist and enable the private sector to develop resources. We need to look at ALL resources as a whole, as systems, not in silos, and insure that the options demonstrate cost efficiency.